



March 8, 2022

Joint Transportation Committee
Legislative Office Building
Room 2300
Hartford, CT 06106-1591

LKQ Opposes Sections 12-14 of HB 5366, AN ACT CONCERNING REVISIONS TO THE MOTOR VEHICLE STATUTES.

Dear Chairman Lemar, Chairman Haskell and Members of the Committee:

As a Government Affairs Manager for LKQ Corporation in the Northeast, I ask you to **oppose and remove Sections 12-14 from HB 5366**, which is set to be heard before the Transportation Committee on March 9, 2022. **Sections 12-14 of HB 5366 are a direct attack on the alternative parts industry and has the potential to create a monopoly for the car companies which would hurt the Connecticut consumer by greatly increasing the cost to repair their vehicles. In addition, it will put hard working Connecticut recycled parts dealers out of business.**

Sections 12-14 of HB 5366 negatively impact our industry and its employees in Connecticut. Specifically, the bill:

- Would enable the big auto manufacturers to change all of their guidelines, procedures, and recommendations or service bulletins to only recommend the use of their new parts. LKQ is not opposed to a body shop performing proper repairs and receiving just compensation, but the proposal falls short of defining/outlining the Original Equipment Manufacturer (OEM) guidelines and recommended repair procedures. The OEMs have a financial interest and there is nothing to stop them from changing all of their guidelines and procedures to only recommend the use of new OEM parts.
- Allows the motor vehicle manufacturer to monopolize the parts industry by allowing them to dictate which parts be used in repairs. As part of some OEM guidelines and procedures, the manufacturer recommends the use of new OEM parts when making a repair. Motor vehicle manufacturers will never recommend using an aftermarket or recycled part over their own new parts.
- Would severely limit and restrict the use of recycled used parts to having to be from a vehicle of the same year or newer. Recycled parts in the same vehicle model series should always be allowed as they are all the same parts. A newer part does not always mean a better part as even some “new” parts may be older than the car a consumer is having repaired.
- Would severely increase the time it takes to repair damaged vehicles. Due to the supply chain shortage, new manufacturer parts which are for the most part made in Asia, are not readily available. This means many consumers are waiting months to have their vehicles repaired.

Recycled parts are readily available and are in no way different from their new counterparts. Now is not the time to restrict the use of any alternative parts.

- Will likely lead to higher insurance premiums and costs for Connecticut consumers as more expensive new motor vehicle manufacturer parts are required to be used. Aftermarket and recycled parts help keep insurance premiums lower and prevent cars from being totaled – thus making repairs more cost-effective. Also, less competition in the automotive parts market means higher prices, which eventually lead straight to the consumers' pockets.

Aftermarket and recycled parts often provide consumers the benefit of better warranties, better prices, and better availability. Limiting their use creates an unlevel playing field against the alternative parts industry in favor of the car manufacturers who without competition are free to charge more for their parts making repairs more costly. **In addition, the auto recycling industry is carbon negative. Carbon negative industries should be promoted, not restricted.**

LKQ Corporation, an S&P 500 company, is a leading provider of alternative, specialty parts, replacement systems, components, equipment and parts to repair and accessorize automobiles, trucks, and recreational vehicles. LKQ has operations in North America, the United Kingdom, the Netherlands, Belgium, France, Italy, Germany, Australia, and Taiwan. Globally, LKQ has over 30,000 employees and operates over 630 facilities.

LKQ employs 20,000 people nationwide and operates more than 460 facilities in more than 44 states. LKQ has just under 100 employees at 4 facilities in Connecticut which are located in Bridgeport, Manchester, West Hartford and Milford, and pays taxes on payroll of more than \$3.4 million.

As Chairmen and members of the Transportation Committee, I hope you will recognize the problems Sections 12-14 of HB 5366 create and the detriments it poses to the alternative parts industry and to consumers in Connecticut. While we agree that a quality repair is paramount for the safety of the driver and passengers when repairing a vehicle, we believe that blindly following OEM guidelines and procedures can be detrimental to the alternative parts industry. The use of aftermarket and recycled parts plays a valuable role in Connecticut offering consumers a lower cost alternative to new OEM parts while creating thousands of jobs in the state. On behalf of LKQ Corporation I ask you to **oppose Sections 12-14 and have them removed from HB 5366.**

Please do not hesitate to contact me if you have any questions. I can be reached at (305) 720- 1877.

Respectfully,

A handwritten signature in black ink, appearing to read 'Andreas Heiss', with a stylized flourish at the end.

Andreas Heiss
Government Affairs Representative
LKQ Corporation

